

SECOND AMENDMENT TO CONDOMINIUM DECLARATION
FOR KINGHURST TOWNHOME CONDOMINIUMS

THAT, WHEREAS, that certain Condominium Declaration for KINGHURST TOWNHOME CONDOMINIUMS dated October 6, 1983 (the "DECLARATION" or THE "REGIME") was filed of record in the OFFICIAL PUBLIC RECORDS OF REAL PROPERTY for HARRIS COUNTY, TEXAS under Clerk's File No. 1730682 on OCTOBER 9, 1984; and that certain FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR KINGHURST TOWNHOME CONDOMINIUMS was filed of record in the OFFICIAL PUBLIC RECORDS OF REAL PROPERTY for HARRIS COUNTY, TEXAS under Clerk's File No. L752933 on JULY 12, 1988: and

WHEREAS, the DECLARATION provides in ARTICLE 8.1 that material provisions of the DECLARATION may be amended upon a vote evidencing the consent of the Owners of UNITS to which at least 67% of the votes of the ASSOCIATION are allocated and the approval of First MORTGAGEES holding mortgages on UNITS which have at least 51% of the votes of UNITS subject to mortgages; and

WHEREAS, the undersigned is the holder of record legal title to most UNITS of KINGHURST TOWNHOME CONDOMINIUMS in HARRIS COUNTY, TEXAS, the exact numbered units owned being described on the attached EXHIBIT "A", (hereafter "UNITS" refers either to the units to which the undersigned has record title or all of the units in the regime, whichever is in context); and

WHEREAS, the undersigned is also the holder of all rights of SELLER under CONTRACTS FOR DEED in more than 67% of all UNITS in the project. Such rights of the SELLER under the CONTRACT FOR DEED are the rights of a LIENHOLDER or FIRST MORTGAGEE. There are 100 Units in the REGIME. The owner of each is entitled to vote. Article VIII, Section 8.1 AMENDMENTS TO DECLARATION; APPROVAL OF OWNERS AND MORTGAGEES requires the consent of 67% of the Owners of Units and approval of 51% of the Mortgagees of Units subject to mortgages to add or amend any material provision of the Declaration or the By-Laws. The undersigned represents 67% or more of all OWNERS and 51% of all UNITS, with or without a mortgage.

NOW, THEREFORE, it is hereby agreed that the DECLARATION shall be amended as follows:

ARTICLE III RIGHTS AND OBLIGATIONS OF OWNERSHIP, Section 3.1 reads as follows: "A Condominium Unit will be a fee simple title and may be held and owned by any person, firm, corporation or other entity singularly, as joint tenants, as tenants in common, or in any real property tenancy recognized under the laws of the State of Texas."

ARTICLE III, Sec. 3.1 is hereby amended by adding the following:

" The preceding paragraph is a description of legal title. The State of Texas recognizes two forms of title: record legal title and equitable title. There are instances where the owner of one is not the owner of the other. One form of equitable title, owned separate and apart from the record legal title, legally recognized under the laws of the STATE OF TEXAS, is the title enjoyed by the Purchaser under a Contract for Deed, whereby the SELLER retains record legal title until all of the purchase price financed in the CONTRACT FOR DEED is paid, at which time the SELLER or his successor is obligated to execute and deliver a deed to the property, thereby merging the record legal title and the equitable title in the same owner. Many owners at KINGHURST TOWNHOME CONDOMINIUMS have purchased under a CONTRACT FOR DEED. Record legal title for all of those UNITS subject to CONTRACTS FOR DEED, constituting more than a majority of the UNITS in the development, is held by the undersigned successor to the original owner of the record legal title. Had these properties been sold by deed, note and deed of trust the record legal title would be in the PURCHASER from the developer. Were the PURCHASER (holder of the equitable title) the record legal title holder, PURCHASER would enjoy all rights of an OWNER under the DECLARATION. It is the intent of this amendment to place the owner of the equitable title to a UNIT in the same position as that of an owner of record legal title. Therefore, in circumstances where record legal title and equitable title are in different entities or different people, and for so long as the two forms of ownership are divided into more than one owner, the holder of equitable title shall be entitled to all rights of an OWNER under the DECLARATION, to the exclusion of the record title owner, including but not limited to the right to vote the share of that property, if otherwise qualified to vote under the DECLARATION as amended or the BY-LAWS of KINGHURST TOWNHOME OWNERS INC., as amended. PROVIDED, however, nothing herein shall impair the rights of the SELLER under the CONTRACT FOR DEED, including but not limited to the right to foreclose or cancel the rights of PURCHASER under the CONTRACT FOR DEED for non payment or delinquent payment of the purchase price or fees or charges made the obligation of PURCHASER under the CONTRACT FOR DEED.

Jerome Karam, Leslie Karam and Melanie VanDerbeck, directors of KINGHURST TOWNHOME OWNERS INC., a TEXAS NON-PROFIT CORPORATION, join herein to ratify and approve the DECLARATION AMENDMENT on behalf of the association.

EXECUTED this the 22nd day of May, 1998.

BAY VIEW FINANCIAL ACQUISITION TRUST

BY: Michael R. Brennan
Co-Trustee

KINGHURST TOWNHOME ASSOCIATION INC.

BY: *Jerome Karam*
JEROME KARAM, DIRECTOR

BY: *Leslie Karam*
LESLIE KARAM, DIRECTOR

BY: _____
MELANIE VANDERBECK, DIRECTOR

STATE OF FLORIDA

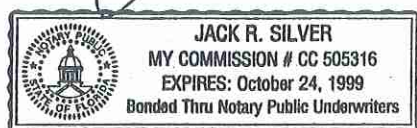
COUNTY OF *Miami-Dade*

This instrument was acknowledged before me on the *22nd* day of *May*, 1998 by *Michael P. Sorenson, Co-Trustee* of BAY VIEW FINANCIAL ACQUISITION TRUST, on behalf of said entity.

J. R. Silver
NOTARY PUBLIC in and for the
State of Florida

STATE OF TEXAS

COUNTY OF HARRIS



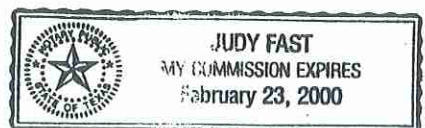
This instrument was acknowledged before me on the *10* day of *June*, 1998 by JEROME KARAM, Director of KINGHURST TOWNHOME ASSOCIATION INC., a Texas non-profit corporation, on behalf of said non-profit corporation.

Judy Fast
NOTARY PUBLIC in and for the
State of Texas

FILED FOR RECORD
8:00 AM

JUN 12 1998

Beverly B. Feigman
County Clerk, Harris County, Texas



STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 10 day of June, 1998 by LESLIE KARAM, Director of KINGHURST TOWNHOME ASSOCIATION INC., a Texas non-profit corporation, on behalf of said non-profit corporation.



Judy Fast
NOTARY PUBLIC in and for the
State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the ___ day of _____, 1998 by MELANIE VANDERBECK, Director of KINGHURST TOWNHOME ASSOCIATION INC., a Texas non-profit corporation, on behalf of said non-profit corporation.

NOTARY PUBLIC in and for the
State of Texas

FILED FOR RECORD
8:00 AM

JUN 12 1998

Beverly B. Faulkner
County Clerk, Harris County, Texas

June 11, 1998

Effective immediately, I resign as Director of the Kinghurst Townhome Association, Inc., a Texas non-profit corporation. I am no longer employed by Mr. Jerome M. Karam and I have no association in any way with Kinghurst Townhomes Association or any entity associated with it.


Melanie VanDerbeck

EXHIBIT "A"

Condominium Unit Numbers 100 through 107, in Building A,
Condominium Unit Numbers 108 through 114, in Building B,
Condominium Unit Numbers 115 through 119, in Building C,
Condominium Unit Numbers 120 through 124, in Building D,
Condominium Unit Numbers 125 through 129, in Building E,
Condominium Unit Numbers 130 through 134, in Building F,
Condominium Unit Numbers 135 through 141, in Building G,
Condominium Unit Numbers 142 through 144 and Unit 146, in
Building H,
Condominium Unit Numbers 147 through 151, in Building I,
Condominium Unit Numbers 152 through 158, in Building J,
Condominium Unit Numbers 159 through 163, in Building K,
Condominium Unit Numbers 164 through 166 and Unit 168, in
Building L,
Condominium Unit Numbers 169 through 175, in Building M,
Condominium Unit Numbers 176 through 180, in Building N,
Condominium Unit Numbers 181 through 183 and Unit 185, in
Building O,
Condominium Unit Numbers 186 through 190, in Building P,
Condominium Unit Numbers 191, 192, 194 and 195, in Building Q,
and
Condominium Unit Numbers 196 through 199, in Building R.

ANY PROVISION HEREIN WHICH RESTRICTS
THE SALE, RENTAL, OR USE OF THE
DESCRIBED REAL PROPERTY BECAUSE OF
COLOR OR RACE IS INVALID AND
UNENFORCEABLE UNDER FEDERAL LAW.

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

JUN. 12. 1998



Beulah B. Kaufman

COUNTY CLERK
HARRIS COUNTY TEXAS